

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

First Priority Financial, Inc.,

Enforcement Case No. 05-3734

License No.: FL-1373

Respondent.

CONSENT ORDER

**Issued and Entered,
This 18th day of August 2006,
By Richard D. Lavolette,
Chief Deputy Commissioner**

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Services ("OFIS") in this matter, the Commissioner FINDS and CONCLUDES that:

1. The Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, and the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.
4. All applicable provisions of MAPA have been met.
5. First Priority Financial, Inc. ("Respondent") violated MCL 445.1652(4), MCL 1671(1)-(2), and MCL 445.1672(a)-(b).

NOW THEREFORE, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, IT IS ORDERED THAT:

1. The Stipulation to Entry of Consent Order submitted by the parties to the Chief Deputy Commissioner is hereby ACCEPTED.

2. Respondent shall CEASE AND DESIST from violating MCL 445.1652(4), MCL 1671(1)-(2), and MCL 445.1672(a)-(b).

3. Respondent shall pay to the OFIS, a civil fine in the amount of \$6,000.00. The civil fine shall be paid on or before 30 days from the date of entry of this Order.

4. For a period of 24 months from the date of this Order Respondent shall not establish, open, operate, or own any branch offices more than 1 branch office location in addition to its main corporate office at 16310 West 12 Mile Road, Suite 200, Southfield, Michigan 48076. Respondent shall notify OFIS within 30 days of the opening or closing of any branch office location.

5. Respondent shall maintain a program to monitor and assure compliance with all state and federal laws and regulations pertaining to brokering, origination, closing, and servicing of mortgage loans. Respondent shall educate its officers and employees involving the brokering, origination, and closing of mortgage loans on all applicable state and federal laws and regulations, including, but not limited to, the MBLSLA, Secondary Mortgage Loan Act, Federal Real Estate Settlement Procedures Act, National Housing Act, Federal Truth in Lending Act, Equal Credit Opportunity Act, Fair Credit Reporting Act, Anti-Redlining Act, and applicable usury laws. The education shall be accomplished by requiring the officers and employees involved in the brokering, origination, closing, and servicing of mortgage loans to attend training seminars for the next 12 months at least four hours in duration every quarter. The training seminars shall be conducted by persons not employed by Respondent and with recognized experience in the mortgage industry. The instructors for the training seminars shall be varied in order to give the officers and employees a broad view of the regulation and operation of the mortgage industry. The training seminars shall include the philosophy behind the laws and regulations as well as the requirements of the laws and regulations. The training seminars may be organized by either Respondent or a local or national organization such as the Michigan

Mortgage Lenders Association, the Mortgage Bankers Association of America, the Michigan Mortgage Brokers Association, or the National Association of Mortgage Brokers. The training seminars may be presented in person or through electronic means, such as the internet, video tapes, DVDs, or CD-ROMS. Respondent shall keep a record of the attendance of the officers and employees at the training seminars.

The program shall include designation of a compliance officer who will conduct reviews, not less than quarterly, of a sample of files for closed loans and rejected loan applications and assure compliance with all relevant federal and state laws. Respondent shall maintain written reports of the results of its file reviews. The written reports shall be maintained as required by Section 21(2) of the MBLSLA. Within 30 days of the date of this order Respondent must inform OFIS of the individual designated as compliance officer and if there is any change in the compliance officer, such change shall be reported in writing to OFIS within 30 days of the change.

6. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as she shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA and SMLA. Failure to abide by the terms and conditions of the Stipulation to Entry of Consent Order and this Order, may result in the commencement of additional proceedings.

IT IS SO ORDERED.

A handwritten signature in black ink, appearing to read 'Richard D. Lavolette', is written over a horizontal line.

Richard D. Lavolette
Chief Deputy Commissioner